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Expert Opinion

Growing your business through awkward adolescence

Stever Robbins

Your business is profitable. Your product is shipping, the market is buying and you're growing fast. But the chaos is keeping pace: Communication is breaking down; it's taking more effort to get things done; and life feels out of control.

Welcome to stage-three entrepreneurship: Maturity. You're off the ground and filling a need, and it's time to become a "real company." Surviving the transition into maturity is one of the most difficult processes your business will face. Here are four simple steps that will help make your company's transition into adulthood go smoothly:

Step 1

Become a leader, not a worker. Direct executive involvement in day-to-day issues keeps a young company on track, especially during those first years of a business. But as a company grows, it's sometimes difficult for executives to step back, delegate responsibility and let teams do the work.

You can tell executives who haven't made this transition. They're polishing the team's client presentation at 3 a.m. Instead of teaching the team to get results on their own, the executive stays mired in the details.

Executives need to realize they're not building a product any longer, they're building an organization; it's the organization that builds the product. Their job is ensuring everyone understands the vision, product strategy and top company priorities.

With that knowledge, employees can stay aligned and make good decisions without embroiling upper managers in daily trivia. In turn, executives need to spend their time communicating those priorities (over and over and over), finding more good people to hire and setting the foundation for the next phase of growth.

Step 2

Learn to communicate in a two-room shop. In a one-room business, communication's a breeze - just yell. "Hey! Anybody know what terms we gave XYZ Co.?" "Yeah. Net 30." With multiple rooms, yelling doesn't work. Now everyone has to know which person to call for what answers. Too bad separate rooms and more work keep anyone from being able to keep track who's doing what.

Communication also becomes difficult as jobs shrink. In a 10-person firm, maybe one person writes marketing copy and handles payables. With all the information in that person's head, communicating between marketing and finance is pretty easy. But when the company expands, marketing and payables are handled by separate people. Communication that used to happen as a matter of course must now become explicit.

The remedy is attention. Take time every few months to ask people what they need that they're not getting. Spend an afternoon redesigning the work so everyone knows where to turn when they need something. You'll be surprised at the time saved when people know right where to go for answers.

Step 3

Redefine work roles and responsibilities. When a marketing department grows from one to two people, it's easy to gloss over deciding exactly who does what. Bad idea. Unclear roles provoke turf battles. When both marketers think their direct-mail copy is sexier, white-board markers fly. Unclear roles also make it hard for everyone, since no one knows who is responsible when something needs to be handled.

Titles aren't the answer. A man called "director of marketing" was once asked, "Is increasing revenue coming from

more market share or from a smaller share of a growing pie?" He answered, "That's a good question. I don't even know how we'd find that out." His title said one thing, but his actual role didn't seem to have much to do with marketing.

Growing businesses need to define a role in terms of the information it owns and the decisions it makes (and every decision should have one and only one owner). Our sadly inept director of marketing didn't realize that he owns market share information. That means he's the "go-to guy" when market share information is needed, so he'd better do what it takes to deliver the goods.

Step 4

Keep customer focus. In its infancy, a company has so few customers that everyone knows all the customers. The gossip mill is enough to keep everyone updated on a customer's issues.

As success brings more customers, more infrastructure, and less direct customer contact, it's easy for customer feedback to get lost, or to stall before reaching those who need it most.

No one magic bullet can keep a company customer-focused. It has to be a priority set by executives. In its early days, for example, Intuit required every employee to spend a day every month answering support phone calls. There's nothing like talking a customer through installing their software to convince a programmer that their "idiot-proof" install program needs another go-around before it can be used by mere mortals.

Every new business goes through an awkward adolescence. The transition into adulthood will go more smoothly if companies have good leadership, open lines of communication, clear roles and responsibilities and strong customer-focus.

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